



2002 Cattle Feed Assistance Program

Overview

The Farm Security and Rural Investment Act of 2002 authorizes, but does not fund, emergency assistance for ranchers and livestock producers. Accordingly, in order to help alleviate the effects of this year's drought, the Secretary of Agriculture is using provisions of Section 165 of the Federal Agriculture Improvement and Reform Act of 1996 and Section 32 of the Act of August 24, 1935, to establish the Cattle Feed Program.

This program is administered by the Farm Service Agency (FSA) and provides assistance to eligible livestock owners by using: (1) approximately \$150 million of funds available under Section 32; and (2) existing stocks of the Commodity Credit Corporation's (CCC) nonfat dry milk as a source of protein in the feed obtained for eligible livestock. CCC will make the nonfat dry milk available at a nominal cost to eligible participating livestock feed suppliers and producers who will manufacture and provide feed to eligible producers. The \$150 million in the Section 32 funds will be used to provide each producer with a feed credit at one selected participating feed supplier in an amount equal to \$23 per head of eligible livestock.

Due to the severe pasture and range conditions, the Cattle Feed Program is available in only four

states: Colorado, Nebraska, South Dakota and Wyoming. An approximate 40-day supply of feed will be provided under the program, which is estimated to feed the eligible livestock in these four states until fall grazing and roughage becomes available.

How the Program Works

Livestock owners designate which livestock feed suppliers they want to use to receive assistance. If the supplier agrees to participate in the program, the feed will be made available at that location. If a supplier does not agree to participate, FSA will assist the livestock owner in finding an eligible supplier.

On September 9, 2002, FSA began providing participating suppliers with the names of eligible producers and their total amount of feed credit. Eligible producers who sign a contract with FSA will be able to use a feed credit to obtain manufactured feed from participating processors and dealers.

Eligible States

This program is available only in Colorado, Nebraska, South Dakota and Wyoming because the most recent data showed that at least 75 percent of the pasture and range crops in these states rated poor or very poor with more than 50 percent of these acres rating very poor. At

the time of the selection of states for participation in the Cattle Feed Program, pasture and range crops ratings in other drought-impacted states rated in the 75 percent category; however, their very poor rating was significantly less than 50 percent. Accordingly, the four states with the very worst overall rating were determined to have the direst immediate need for assistance to prevent further liquidation of foundation beef herds.

Producer and Cattle Eligibility Specifications

Beef cow-calf operators who own or cash lease eligible cows, replacement heifers, or breeding bulls in the four states are eligible. Buffalo and beefalo herds are not eligible.

Eligible livestock include owned or leased beef cows, replacement heifers and bulls kept for breeding the foundation herd. Specifically:

- Replacement beef heifers bred to calve during the 2003 calving season are not to exceed 15 percent of the foundation cow numbers.
- The producer must certify the number of eligible livestock, which must have been owned for 3 months prior to August 12, 2002.
- The producer is also required to report to FSA the number of eligible beef cattle that die or are

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sold between August 12 and December 15, 2002, only if that number exceeds 5 percent of the total number of eligible livestock.

Eligibility Example:

- An applicant certifies to FSA that he/she owns 120 stock cows, 4 bulls and 12 replacement heifers, bred to start calving in 2003. Eligible are: 120 stock cows, 4 bulls and 12 replacement heifers. Payment eligibility is: $(120 + 4 + 12 = 136) \times \23 . $136 \text{ eligible beef cattle} \times \$23 = \$3,128.00$ feed credit.

Application Deadline

The application period for livestock owners began August 28, 2002, and will continue until December 2, 2002.

Partners

USDA worked closely with the National Cattlemen's Beef Association (NCBA), the American Feed Industry Association (AFIA) and the National Grain and Feed Association (NGFA) to design and implement a program in a short timeframe that provides assistance to all parties.

For More information

Producers can contact their local USDA Service Center or county FSA office in the four participating states for additional information.

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